



FISCAL MEMORANDUM

HB 7035 - SB 7079

August 24, 2023

SUMMARY OF BILL AS AMENDED (009561, 009636): Requires the Department of Health (DOH) to administer and process a student loan repayment grant program (program) for certain eligible licensed physicians, psychologists, and licensed counselors. Establishes eligibility requirement in which such medical professionals must provide mental health services in this state for at least five years within the seven years following the date of application for grant approval. Specifies that grant monies are only applicable to a qualifying individual's medical school educational loans, including interest and related expenses. Authorizes the DOH to enter into contracts with any Tennessee nonprofit corporation, subject to certain restrictions, to carryout operations of the program.

Creates the Mental Healthcare Professionals Student Loan Repayment Fund (Fund). States that it is the legislative intent that \$20,000,000 be appropriated in FY23-24 to the Fund. Requires money in the Fund to be invested by the State Treasurer and for all interest to be returned to the Fund. Requires an annual report to the General Assembly regarding the Fund.

Requires the DOH to provide an annual report to the Governor, the Chair of the Education Administration Committee of the House of Representatives, the Chair of the Education Committee of the Senate, and the Legislative Librarian outlining the number of individuals applying for and awarded grants, and any recommendations for program improvements, no later than January 1 of each year. Effective January 1, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures - \$20,000,000/FY23-24

Other Fiscal Impact - Authorizing the DOH to enter into contracts with a Tennessee nonprofit corporation could result in additional increases in state expenditures; however, the precise increase cannot be reasonably determined due to multiple unknown factors.

Assumptions for the bill as amended:

- The proposed legislation establishes the amount of student loan repayment grants be for the amount of principal, interest, and related expenses of the individual's medical school educational loans, not to exceed the individual's total student loan debt.

- It is assumed student loan repayments will begin in FY24-25.
- The proposed legislation states the intent to appropriate \$20,000,000 in FY23-24 to the Fund for the purpose of issuing grants.
- An increase in state expenditures to the General Fund of \$20,000,000 in FY23-24.
- The State Treasurer will be able to comply with the investment requirements within existing resources without a significant increase in state expenditures.
- Authorizing the DOH to enter into contracts with any Tennessee nonprofit corporation in which to carryout operations of the program could result in increased expenditures to the department. However, future contractual arrangements are unknown; therefore, any increase in state expenditures cannot be reasonably determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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